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Operational activities of the United Nations for international development cooperation: reports of the Executive Boards of the United Nations Development Programme/United Nations Population Fund, the United Nations Children's Fund and the World Food Programme

Proposed amendment to the General Regulations of the World Food Programme

Note by the Secretary-General

The Secretary-General has the honour to transmit herewith to the Economic and Social Council, for its consideration, the proposed amendment to the General Regulations of the World Food Programme recommended by the Executive Board of the World Food Programme in accordance with article XV of the General Regulations. The recommendation is also being made available to the Council of the Food and Agriculture Organization of the United Nations.

* E/1999/100 and Add.1.

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Proposed amendment to the General Regulations of the World Food Programme

Following the approval of WFP's Resource and Long-term Financing policies, at its First Regular Session of 1999, the Executive Board endorsed the revision of Article XIII, paragraph 2, of the General Regulations. In accordance with the provisions contained in Article XV of the General Regulations, the Board hereby submits its recommendation, through the Economic and Social Council of the United Nations and the Council of FAO, for approval by the United Nations General Assembly and the FAO Conference.

Subject to the approval of the revision recommended above, the Board approved the revision of General Rule XIII.4, hereby presented for information to the Economic and Social Council of the United Nations and the Council of FAO.

PROPOSED AMENDMENT TO WFP'S GENERAL REGULATIONS

Article XIII, paragraph 2*:

Donors may contribute appropriate commodities, cash and acceptable services in accordance with the general rules made pursuant to these General Regulations. Except as otherwise provided in such general rules in respect of developing countries, countries with economies in transition and other non-traditional donors, or in respect of other exceptional situations, each donor shall provide cash contributions sufficient to cover the full operational and support costs of its contributions.

*The current text of the relevant paragraph is included here for ease of reference:
Donors may contribute appropriate commodities, cash and acceptable services in accordance with the general rules made pursuant to these General Regulations. Each donor shall provide cash contributions sufficient to cover the full operational and support costs of its contributions. Governments of developing countries may make commodity-only contributions, provided that the full operational and support costs are covered by another donor. In exceptional cases, these costs for the commodity-only contributions from IDA-eligible countries may be met from the WFP Fund.

WFP General Rule XIII.4: Types of contributions

In accordance with General Regulation XIII.2, the following shall apply to the various types of contributions to WFP:

(a) Donors contributing food commodities or designated cash, such as cash in lieu of food commodities shall provide sufficient cash, acceptable services, or acceptable non-food items to cover the full operational and support costs related to their commodity contribution, using the following criteria for the calculation of operational and support costs;

i) commodities: to be valued in accordance with General Rule XIII.6;

ii) external transport: estimated actual cost;

iii) landside transportation, storage and handling (LTSH): average per ton rate for the project;

iv) other direct costs: pro-rata share of the budgeted amount for the project as in force at the time the contribution is made, based on tonnage; and

v) indirect support costs: percentage of direct costs as determined by the Board.

(b) Donors contributing acceptable non-food items not directly associated with other contributions shall provide sufficient cash or acceptable services to cover the full operational and support costs related to their contribution.

(c) Donors contributing acceptable services not directly associated with other contributions shall provide sufficient cash or other acceptable resources to cover the full operational and support costs related to their contribution.

(d) Donors providing cash contributions which are not designated in any way or are designated to the Immediate Response Account (IRA) or to Programme Support and Administration (PSA) or related activities shall not be required to provide additional cash or services to cover the full operational and support costs related to their contributions, provided that such contributions do not result in any additional reporting burden to the Programme.

(e) Governments of developing countries, countries with economies in transition, and other non-traditional donors as determined by the Board, may make contributions of commodities or services only, provided that:

i) the full operational and support costs are covered by another donor or donors, by the monetization of part of the contribution and/or by resort to the WFP Fund;

ii) such contributions are in the interests of the Programme and do not result in any disproportionate administrative or reporting burden to the Programme; and

iii) the Executive Director considers that accepting the contribution is in the interests of the beneficiaries of the Programme.

(f) Exceptionally, the Executive Director may reduce or waive indirect support costs in respect of any contribution in kind to cover direct support costs of an activity or activities where the Executive Director determines that such reduction or waiver is in the best interests of the beneficiaries of the Programme, provided that:

i) such contributions do not result in any additional administrative or reporting burden on the Programme; and

ii) in the case of a waiver, the indirect support costs otherwise applicable have been determined by the Executive Director to be insignificant.

(g) Contributions under paragraph (e) and reductions or waivers under paragraph (f) above shall be reported to the Executive Board at its Annual Session.